

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
JUNE 24, 2016

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
JUNE 24, 2016**

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**POLITICAL SUBDIVISION
SEEKING MEMBERSHIP**

**Political Subdivision Beginning Participation
In the Tennessee Consolidated Retirement System
July 1, 2016**

<u>Political Subdivision</u>	<u>Amount of Service</u>		<u>Employer Rate</u>	<u>Employee Rate</u>	<u>Accrued Liability</u>	<u>Cost of Living</u>	<u>Part Time Coverage</u>	<u>Number of Employees</u>
	<u>Employer</u>	<u>Employee</u>						
McMinn Co Emergency Communications District	ALL	0	7.45%	5.00%	\$162,147	INCLUDE	EXCLUDE	17
Regular Defined Benefit Plan								

Meetings:

March 2016: Explained initial employer costs and participating procedures to the governing body.

July 2016: Will explain laws, policies, and benefit provisions to the employees of the emergency communications district.

July 2016: Will explain reporting procedures to payroll officer(s).



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Karen Curtis, TCRS Field Services
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: February 25, 2016

The McMinn County Emergency Communications District will begin participation in the Tennessee Consolidated Retirement System effective 7/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The total first year cost for the entity is Forty Four Thousand and Eight Hundred and Eighty Three Dollars (\$ 44, 883.00.) One Hundred Percent (100%) of this figure is required to be budgeted for the fiscal year 2016 budgeted year ending June 30, 2017.

Enclosed is the fiscal year 2016 budget for this entity. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 741-1971.

Enclosure



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986**

Memorandum

TO: Karen Curtis, TCRS Employer Services
FROM: Sandra Thompson, Director *Sandra Thompson*
DATE: February 29, 2016
SUBJECT: McMinn County Emergency Communications District

The fiscal year 2016 amended annual budget submitted by the McMinn County Emergency Communications District appears sufficient to fund the required \$44,883 first year retirement contribution for the fiscal year ending June 30, 2016.

McMinn County Emergency Communications District

Condensed Budget

Fiscal Year 2016

Operating Revenue	\$ 582,480.00
Operating Expenses	<u>1,398,050.00</u>
Nonoperating Revenue	1,042,561.00
Nonoperating Expenses	<u>-</u>
Change in Net Position	\$ 226,991.00

Note: Operating expenses include a retirement contribution of \$45,000.

The financial information received by this Office with the request for the review of the McMinn County Emergency Communications District's fiscal year 2016 annual budget represents the District's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

An actuarial valuation was performed as of April 1, 2016 to examine the cost of any benefits provided by the Tennessee Consolidated Retirement System (TCRS) as it would apply to the McMinn County Emergency Communications District if the group joined the TCRS on that date.

The TCRS offers three different plan design options for political subdivisions, referred to throughout this report as Plan 1, Plan 2, and Plan 3. Each of the three plans has a unique set of benefits and corresponding costs. The description of the benefits can be found in the Plan Provisions section of this report. The summary of the annual employer costs as a percentage of payroll for each of the three plans is shown in the table below. Further, within Plan 1 and Plan 2, each political subdivision can elect whether to include or exclude cost of living benefits in its retirement plan. If cost of living benefits are included, they must be "advance funded" in the same manner as other retirement benefits. Costs have been developed both "with" and "without" cost of living benefits for Plan 1 and Plan 2. Plan 3 is required to include cost of living benefits.

Each political subdivision joining the TCRS also has the option of whether or not to include employees' past service (service earned prior to the date of joining the TCRS) in the determination of benefits. If past service is included, the political subdivision may elect whether or not to limit the past service to a selected number of years. Further, the included years of past service may be fully purchased by the employer, or the employee can be made to be responsible for voluntarily purchasing the past service with the employer accepting its share of the liability for any years that the employee purchases. The prospective annual employer cost as a percentage of payroll for each of the past service scenarios currently considered by the entity is shown below.

	Plan 1		Plan 2		Plan 3
	Without COLA	With COLA	Without COLA	With COLA	With COLA
Past Service Scenarios					
1. All Past Service	3.81%	7.45%	N/A	N/A	N/A
(Initial Employee and Employer total account transfer = \$403,174)					

The above results assume that employees will contribute 5% of pay toward the future cost of their retirement benefit. Alternatively, the entity may elect to charge only 2.5% employee contributions or to require no employee contributions, in which case TCRS will increase the above results by 2.5% or 5%, respectively.

**Tennessee Consolidated
Retirement System**

A RESOLUTION to authorize a political subdivision's participation in the regular defined benefit plan of the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Section 8-35-201 provides that the governing body of a political subdivision of this State may by resolution authorize its employees to participate in the regular defined benefit plan of the Tennessee Consolidated Retirement System ("TCRS") subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the McMinn County Emergency Communications District desires to participate in the regular defined
(Name of Political Subdivision)
benefit plan of TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34 -- 37 and in accordance with the following terms and conditions:

- A. ASSUMPTION OF EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2). The Political Subdivision shall:
- (1) ☒ NOT assume any employee contributions.
 - (2) ☐ ASSUME its employees' contributions.
- B. COST-OF-LIVING INCREASES FOR RETIREES. (CHECK BOX 1 OR BOX 2). The Political Subdivision shall:
- (1) ☐ NOT provide cost-of-living increases for its retirees.
 - (2) ☒ PROVIDE cost-of-living increases for its retirees.
- C. ELIBILITY OF PART-TIME EMPLOYEES. (CHECK BOX 1 OR BOX 2). The Political Subdivision shall:
- (1) ☒ NOT allow its part-time employees to participate in TCRS.
 - (2) ☐ ALLOW its part-time employees to participate in TCRS.
- D. PRIOR SERVICE. (CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5). For each employee employed with the Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall:
- (1) ☒ Purchase ALL years of prior service credit on behalf of its employees.
 - (2) ☐ Purchase NO years of prior service credit on behalf of its employees, but shall accept the unfunded liability should its employees establish ALL years of prior service.
 - (3) ☐ NOT allow its employees to establish any prior service credit with the Political Subdivision.
 - (4) ☐ Purchase _____ years of prior service credit on behalf of its employees and accept the unfunded liability should its employees establish an additional _____ years of prior service credit.
 - (5) ☐ Purchase _____ years of prior service credit on behalf of its employees and no additional prior service credit may be established; and

WHEREAS, the effective date of participation shall be on a date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 7.45 %, which is based on the estimated lump sum accrued liability of \$ 162,147 ; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Political Subdivision, and not the State of Tennessee; and

WHEREAS, the Political Subdivision has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto.

NOW, THEREFORE, BE IT RESOLVED That the McMinn County Emergency Communications District of
(Name of Governing Body)

McMinn County Emergency Communications District hereby authorizes all its employees in all its departments or
(Name of Political Subdivision)

instrumentalities to become eligible to participate in the regular defined benefit plan of TCRS in accordance with the above terms and conditions subject to the approval of the TCRS Board of Trustees. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary.

STATE OF TENNESSEE

COUNTY OF McMinn

I, Murray Willis, clerk of the Board of

McMinn County Emergency Communications District McMinn County, City of Athens
(Name of Governing Body) (County, City Town, etc.)

Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 18th day of February, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the McMinn County, City of Athens
(Name of County, City, Town, etc.)


As Clerk of the Board, as aforesaid

Seal

**Political Subdivision Beginning Participation
In the Tennessee Consolidated Retirement System
July 1, 2016**

<u>Political Subdivision</u>	<u>Amount of Service</u> <u>Employer</u> <u>Employee</u>	<u>Employer</u> <u>Rate</u>	<u>Employee</u> <u>Rate</u>	<u>Accrued</u> <u>Liability</u>	<u>Cost of</u> <u>Living</u>	<u>Part Time</u> <u>Coverage</u>	<u>Number of</u> <u>Employees</u>
Old Knoxville Highway Water District	0 ALL	7.06%	0.00%	\$101,190	INCLUDE	EXCLUDE	7
Regular Defined Benefit Plan							

Meetings:

- March 2016: Explained initial employer costs and participating procedures to the governing body.
- July 2016: Will explain laws, policies, and benefit provisions to the employees of the water district.
- July 2016: Will explain reporting procedures to payroll officer(s).

Additional Note:

The Old Knoxville Highway Water District will be assuming the 5.00% employee contributions. The total rate due from the employer will be 12.06%.



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Melissa L. Davis, TCRS Employer Services *md*
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: May 25, 2016

The Old Knoxville Highway Utility District will begin participation in the Tennessee Consolidated Retirement System effective 7/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The total first year cost for the entity is Seventeen Thousand, Seven Hundred and Ninety Dollars (\$17,790.00.) This figure is required to be budgeted for the fiscal year 2017 budgeted year ending June 30, 2017.

Enclosed is the fiscal year 2017 budget for this entity. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 741-1971.

Enclosure



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986**

Memorandum

TO: Melissa L. Davis, TCRS Employer Services

FROM: Sandra Thompson, Director

A handwritten signature in cursive script that reads "Sandra Thompson".

DATE: June 2, 2016

SUBJECT: Old Knoxville Highway Utility District

The fiscal year 2017 annual budget submitted by the Old Knoxville Highway Utility District appears sufficient to fund the required \$17,790 first year retirement contribution for the fiscal year ending June 30, 2017.

Old Knoxville Highway Utility District

Condensed Budget

Fiscal Year 2017

Operating Revenue	\$ 1,827,525
Operating Expenses	<u>1,810,265</u>
Nonoperating Revenue	200
Nonoperating Expenses	<u>-</u>
Change in Net Position	\$ 17,460

Note: Operating expenses include a retirement contribution of \$39,000.

The financial information received by this Office with the request for the review of the Old Knoxville Highway Utility District's fiscal year 2017 annual budget represents the District's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

An actuarial valuation was performed as of April 1, 2016 to examine the cost of any benefits provided by the Tennessee Consolidated Retirement System (TCRS) as it would apply to the Old Knoxville Highway Utility District if the group joined the TCRS on that date.

The TCRS offers three different plan design options for political subdivisions, referred to throughout this report as Plan 1, Plan 2, and Plan 3. Each of the three plans has a unique set of benefits and corresponding costs. The description of the benefits can be found in the Plan Provisions section of this report. The summary of the annual employer costs as a percentage of payroll for each of the three plans is shown in the table below. Further, within Plan 1 and Plan 2, each political subdivision can elect whether to include or exclude cost of living benefits in its retirement plan. If cost of living benefits are included, they must be "advance funded" in the same manner as other retirement benefits. Costs have been developed both "with" and "without" cost of living benefits for Plan 1 and Plan 2. Plan 3 is required to include cost of living benefits.

Each political subdivision joining the TCRS also has the option of whether or not to include employees' past service (service earned prior to the date of joining the TCRS) in the determination of benefits. If past service is included, the political subdivision may elect whether or not to limit the past service to a selected number of years. Further, the included years of past service may be fully purchased by the employer, or the employee can be made to be responsible for voluntarily purchasing the past service with the employer accepting its share of the liability for any years that the employee purchases. The prospective annual employer cost as a percentage of payroll for each of the past service scenarios currently considered by the entity is shown below.

	Plan 1		Plan 2		Plan 3
	Without COLA	With COLA	Without COLA	With COLA	With COLA
Past Service Scenarios					
1. All Past Service (Employer purchases all years)	7.11%	10.23%	4.83%	5.92%	4.28%
2. All Past Service (Employee purchases all years at 5%)	3.85%	7.06%	0.46%	2.19%	0.16%

The above results assume that employees will contribute 5% of pay toward the future cost of their retirement benefit. Alternatively, the entity may elect to charge only 2.5% employee contributions or to require no employee contributions, in which case TCRS will increase the above results by 2.5% or 5%, respectively.

Tennessee Consolidated Retirement System

A RESOLUTION to authorize a political subdivision's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the Old Knoxville Hwy Water District desires to participate in TCRS under the
(Name of Political Subdivision)

provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Political Subdivision adopts the following type plan:
- (1) ☒ Regular Defined Benefit Plan.
 - (2) ☐ Alternate Defined Benefit Plan.
 - (3) ☐ Local Government Hybrid Plan (If this Plan is chosen, the Political Subdivision MUST also maintain a defined contribution plan on behalf of its employees and pass the attached resolution that describes the type of defined contribution plan the Political Subdivision will adopt. The defined contribution plan could provide for employer contributions of 0% to up to 7% of its employees' salaries).
 - (4) ☐ State Employee and Teacher Hybrid Plan (If this Plan is chosen, the Political Subdivision MUST also maintain a defined contribution plan on behalf of its employees whereby the Political Subdivision makes a mandatory employer contribution on behalf of each of its employees participating in the Hybrid Plan equal to 5% of the respective employee's salary subject to the cost controls and unfunded liability controls of the Hybrid Plan. The Political Subdivision must also pass the attached resolution that describes the type of defined contribution plan the Political Subdivision will adopt).
- B. EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, THE EMPLOYEES MUST CONTRIBUTE 5% OF THEIR EARNABLE COMPENSATION UNDER THAT PLAN AND BOX 1 MUST BE CHECKED). The Employees shall contribute:
- (1) ☐ 5% of the employees' earnable compensation.
 - (2) ☐ 2.5% of the employees' earnable compensation.
 - (3) ☒ 0% of the employees' earnable compensation.
- C. COST-OF-LIVING INCREASES FOR RETIREES. (CHECK BOX 1 OR BOX 2 – IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS AND BOX 2 MUST BE CHECKED). The Political Subdivision shall:
- (1) ☐ NOT provide cost-of-living increases for its retirees.
 - (2) ☒ PROVIDE cost-of-living increases for its retirees.
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. (CHECK BOX 1 OR BOX 2). The Political Subdivision shall:
- (1) ☒ NOT allow its part-time employees to participate in TCRS.
 - (2) ☐ ALLOW its part-time employees to participate in TCRS.
- E. PRIOR SERVICE. (CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5 – CAUTION: IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE AND IF BOX 3 BELOW IS NOT

CHOSEN, THE EMPLOYER CONTRIBUTION COULD EXCEED 4% THEREBY CAUSING THE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS TO AUTOMATICALLY APPLY. ACCORDINGLY, PRIOR SERVICE IS NOT RECOMMENDED). For each employee employed with the Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall:

- (1) ☐ Purchase ALL years of prior service credit on behalf of its employees.
- (2) ☒ Purchase NO years of prior service credit on behalf of its employees, but shall accept the unfunded liability should its employees establish ALL years of prior service.
- (3) ☐ NOT allow its employees to establish any prior service credit with the Political Subdivision.
- (4) ☐ Purchase _____ years of prior service credit on behalf of its employees and accept the unfunded liability should its employees establish an additional _____ years of prior service credit.
- (5) ☐ Purchase _____ years of prior service credit on behalf of its employees and no additional prior service credit may be established; and

F. MAXIMUM UNFUNDED LIABILITY. (COMPLETE THIS ITEM F ONLY IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE). For purposes of the cost control provisions of Tennessee Code Annotated, Section 8-36-922(d), the Political Subdivision defines "maximum unfunded liability" to mean an unfunded liability of no greater than _____

; and

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Political Subdivision and not the State of Tennessee; and

WHEREAS, the Political Subdivision has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto; and

WHEREAS, the effective date of participation shall be on July 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 7.06%, which is based on the estimated lump sum accrued liability of \$ 101,190.00.

NOW, THEREFORE, BE IT RESOLVED That the Board of Directors of _____
(Name of Governing Body)

Old Knoxville High Water District
(Name of Political Subdivision)

hereby authorizes all its employees in all its departments or

instrumentalities to become eligible to participate in TCRS in accordance with the above terms and conditions subject to the approval of the TCRS Board of Trustees. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision, the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

STATE OF TENNESSEE

COUNTY OF Greene

I, Shea Long, clerk of the Board of

Old Knoxville Highway Water District
(Name of Governing Body)

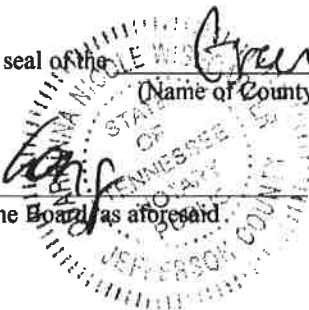
Mosheim TN
(County, City Town, etc.)

Tennessee, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 18th day of April, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the

Greene Co
(Name of County, City, Town, etc.)

Shea Long
As Clerk of the Board as aforesaid



Seal

Anna Nicole Wiser

**Political Subdivision Beginning Participation
In the Tennessee Consolidated Retirement System
July 1, 2016**

<u>Political Subdivision</u>	<u>Amount of Service</u> <u>Employer Employee</u>	<u>Employer</u> <u>Rate</u>	<u>Employee</u> <u>Rate</u>	<u>Accrued</u> <u>Liability</u>	<u>Cost of</u> <u>Living</u>	<u>Part Time</u> <u>Coverage</u>	<u>Number of</u> <u>Employees</u>
Walden's Ridge Utility District	0 ALL	6.88%	5.00%	\$221,336	INCLUDE	EXCLUDE	10
Regular Defined Benefit Plan							

Meetings:

- March 2016: Explained initial employer costs and participating procedures to the governing body.
- July 2016: Will explain laws, policies, and benefit provisions to the employees of the utility district.
- July 2016: Will explain reporting procedures to payroll officer(s).



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

MEMORANDUM

TO: Sandi Thompson, Division of Local Finance
FROM: Melissa L. Davis, TCRS Employer Services *md*
SUBJECT: Participation in Tennessee Consolidated Retirement System
DATE: May 25, 2016

The Walden's Ridge Utility District will begin participation in the Tennessee Consolidated Retirement System effective 7/1/2016.

The Board of Trustees of the TCRS requires a political subdivision to appropriate the necessary funds in their annual budget for retirement costs. The total first year cost for the entity is Thirty-One Thousand, Two Hundred and Forty-Six Dollars (\$31,246.00.) This figure is required to be budgeted for the fiscal year 2017 budgeted year ending June 30, 2017.

Enclosed is the fiscal year 2017 budget for this entity. Please let me know if this information is sufficient and accurately reflects adequate funding for retirement costs for this entity.

If you have any questions, please call me at (615) 741-1971.

Enclosure



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986**

Memorandum

TO: Melissa L. Davis, TCRS Employer Services

FROM: Sandra Thompson, Director

DATE: June 2, 2016

SUBJECT: Walden's Ridge Utility District

The District appears able to fund the required first year contribution to TCRS of \$31,246. The District has not yet adopted its fiscal year 2017 budget.

To determine if the District appears to be able to fund the required \$31,246 first year retirement contribution for TCRS's fiscal year ending June 30, 2017, our office performed the following steps:

- We reviewed the District's fiscal year 2016 budget,
- We reviewed the District's fiscal year 2015 financial statements, and,
- We confirmed that the District intended to fund the required contribution for TCRS's fiscal year ending June 30, 2017.

The operating expenses for the fiscal year 2016 annual budget submitted by the District include a retirement contribution of \$33,397. The District's participation in TCRS is to begin on July 1, 2016.

**Walden's Ridge Utility District
Condensed Budget
Fiscal Year 2017**

Operating Revenue	\$ 2,248,636
Operating Expenses	(1,961,943)
	<hr/>
	\$ 286,693
Nonoperating Revenue	26,400
Nonoperating Expenses	(278,500)
	<hr/>
Change in Net Position	\$ 34,593

The financial information received by this Office with the request for the review of the Walden's Ridge Utility District fiscal year 2016 annual budget for the period September 1, 2015, to August 31, 2016, represents the District's assertions of its financial condition that may or may not reflect its current or future financial condition.

If you need additional information, please do not hesitate to contact me.

An actuarial valuation was performed as of January 1, 2016 to examine the cost of any benefits provided by the Tennessee Consolidated Retirement System (TCRS) as it would apply to the Walden's Ridge Utility District if the group joined the TCRS on that date.

The TCRS offers three different plan design options for political subdivisions, referred to throughout this report as Plan 1, Plan 2, and Plan 3. Each of the three plans has a unique set of benefits and corresponding costs. The description of the benefits can be found in the Plan Provisions section of this report. The summary of the annual employer costs as a percentage of payroll for each of the three plans is shown in the table below. Further, within Plan 1 and Plan 2, each political subdivision can elect whether to include or exclude cost of living benefits in its retirement plan. If cost of living benefits are included, they must be "advance funded" in the same manner as other retirement benefits. Costs have been developed both "with" and "without" cost of living benefits for Plan 1 and Plan 2. Plan 3 is required to include cost of living benefits.

Each political subdivision joining the TCRS also has the option of whether or not to include employees' past service (service earned prior to the date of joining the TCRS) in the determination of benefits. If past service is included, the political subdivision may elect whether or not to limit the past service to a selected number of years. Further, the included years of past service may be fully purchased by the employer, or the employee can be made to be responsible for voluntarily purchasing the past service with the employer accepting its share of the liability for any years that the employee purchases. The prospective annual employer cost as a percentage of payroll for each of the past service scenarios currently considered by the entity is shown below.

	Plan 1		Plan 2		Plan 3
	Without COLA	With COLA	Without COLA	With COLA	With COLA
Past Service Scenarios					
1. All Past Service (Employer purchases all years)	11.79%	15.96%	7.89%	10.11%	6.92%
2. All Past Service (Employee purchases all years at 5%)	6.88%	11.12%	2.19%	4.96%	1.08%

The above results assume that employees will contribute 5% of pay toward the future cost of their retirement benefit. Alternatively, the entity may elect to charge only 2.5% employee contributions or to require no employee contributions, in which case TCRS will increase the above results by 2.5% or 5%, respectively.

Tennessee Consolidated Retirement System

A RESOLUTION to authorize a political subdivision's participation in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapters 34 – 37.

WHEREAS, Tennessee Code Annotated, Title 8, Chapter 35, Part 2 allows a political subdivision to participate in the Tennessee Consolidated Retirement System ("TCRS") subject to the approval of the TCRS Board of Trustees; and

WHEREAS, the **WALDEN'S RIDGE UTILITY DISTRICT** desires to participate in TCRS under the provisions of Tennessee Code Annotated, Title 8, Chapters 34 – 37 and in accordance with the following terms and conditions:

- A. TYPE PLAN. (CHECK BOX 1 OR BOX 2 OR BOX 3 OR BOX 4). The Political Subdivision adopts the following type plan:
- (1) ☒ Regular Defined Benefit Plan.
 - (2) ☐ Alternate Defined Benefit Plan.
 - (3) ☐ Local Government Hybrid Plan (If this Plan is chosen, the Political Subdivision MUST also maintain a defined contribution plan on behalf of its employees and pass the attached resolution that describes the type of defined contribution plan the Political Subdivision will adopt. The defined contribution plan could provide for employer contributions of 0% to up to 7% of its employees' salaries).
- B. EMPLOYEE CONTRIBUTIONS. (CHECK BOX 1 OR BOX 2 OR BOX 3 - IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, THE EMPLOYEES MUST CONTRIBUTE 5% OF THEIR EARNABLE COMPENSATION UNDER THAT PLAN AND BOX 1 MUST BE CHECKED). The Employees shall contribute:
- (1) ☒ 5% of the employees' earnable compensation.
 - (2) ☐ 2.5% of the employees' earnable compensation.
 - (3) ☐ 0% of the employees' earnable compensation.
- C. COST-OF-LIVING INCREASES FOR RETIREES. (CHECK BOX 1 OR BOX 2 - IF EITHER THE LOCAL GOVERNMENT, OR THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE, COST-OF-LIVING INCREASES FOR RETIREES MUST BE GIVEN, SUBJECT TO ANY APPLICABLE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS AND BOX 2 MUST BE CHECKED). The Political Subdivision shall:
- (1) ☒ NOT provide cost-of-living increases for its retirees.
 - (2) ☐ PROVIDE cost-of-living increases for its retirees.
- D. ELIGIBILITY OF PART-TIME EMPLOYEES. (CHECK BOX 1 OR BOX 2). The Political Subdivision shall:
- (1) ☒ NOT allow its part-time employees to participate in TCRS.
 - (2) ☐ ALLOW its part-time employees to participate in TCRS.
- E. PRIOR SERVICE. (CHECK AND COMPLETE BOX 1 OR BOX 2 OR BOX 3 OR BOX 4 OR BOX 5 - CAUTION: IF THE STATE EMPLOYEE AND TEACHER HYBRID PLAN IS SELECTED ABOVE AND IF BOX 3 BELOW IS NOT CHOSEN, THE EMPLOYER CONTRIBUTION COULD EXCEED 4% THEREBY CAUSING THE COST CONTROLS AND UNFUNDED LIABILITY CONTROLS TO AUTOMATICALLY APPLY. ACCORDINGLY, PRIOR SERVICE IS NOT RECOMMENDED). For each employee employed with the Political Subdivision on the effective date of the Political Subdivision's participation in TCRS, the Political Subdivision shall:
- (1) ☐ Purchase ALL years of prior service credit on behalf of its employees.
 - (2) ☒ Purchase NO years of prior service credit on behalf of its employees, but shall accept the unfunded liability should its employees establish ALL years of prior service.

Frank Groves 

WHEREAS, the liability for participation and costs of administration shall be the sole responsibility of the Political Subdivision and not the State of Tennessee; and

WHEREAS, the Political Subdivision' has passed a budget amendment appropriating the funds necessary to meet such liability and the same is attached hereto; and

WHEREAS, the effective date of participation shall be on JULY 1, 2016, or on such later date as determined by the TCRS Board of Trustees, and the initial employer contribution rate shall be 6.88 %, which is based on the estimated lump sum accrued liability of \$ 221,336.00.

NOW, THEREFORE, BE IT RESOLVED That the **BOARD OF COMMISSIONERS of WALDEN'S RIDGE UTILITY DISTRICT** hereby authorizes all its employees in all its departments or instrumentalities to become eligible to participate in TCRS in accordance with the above terms and conditions subject to the approval of the TCRS Board of Trustees. It is acknowledged and understood that pursuant to Tennessee Code Annotated, Section 8-35-111 the Political Subdivision shall not make employer contributions to any other retirement or deferred compensation plans on behalf of any employee who participates in TCRS pursuant to this Resolution wherein the total combined employer contributions to such plans exceed 3% of the employee's salary, unless the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision for such employee. If either the Local Government Hybrid Plan or the State Employee and Teacher Hybrid Plan is adopted by the Political Subdivision, the Political Subdivision may make employer contributions to the defined contribution plan component of that Plan and to any one or more additional tax deferred compensation or retirement plans on behalf of such employee provided that the total combined employer contributions to such plans on behalf of the employee does not exceed 7% of the employee's salary.

STATE OF TENNESSEE

COUNTY OF HAMILTON

I, **FRANK M. GROVES**, President of the Board of **COMMISSIONERS for WALDEN'S RIDGE UTILITY DISTRICT** of HAMILTON COUNTY, do hereby certify that this is a true and exact copy of the foregoing Resolution that was approved and adopted in accordance with applicable law at a meeting held on the 31st day of MAY, 2016, the original of which is on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the **WALDEN'S RIDGE UTILITY DISTRICT OF HAMILTON COUNTY TENNESSEE**.


President of the Board, as aforesaid

Seal

LEGISLATION SUMMARY

2016 Legislation Highlights

SB 1869/HB 1920 (PC 962) – TCRS Omnibus.

This bill modified several sections of the TCRS law for purposes of clarification and administrative efficiency.

Primary changes include:

- Clarifies that a teacher in the legacy plan, who voluntarily transfers to the hybrid plan and later becomes a state employee will remain in the hybrid plan for future state employee service.
- Allows a political subdivision that participates in the hybrid plan with cost controls that previously participated in the legacy plan to permit its employees the option to transfer on a prospective basis from the legacy plan to the hybrid plan provided that the employee contributions to the legacy plan are the same as in the hybrid plan.
- Requires eligible higher education employees to make their choice between joining TCRS or the ORP upon their initial date of hire rather than 30 days after their hire date, and clarifies that in-service distributions from the ORP are not permitted. Requires any employer that desires to participate in TCRS on or after 7/1/16 to pay its accrued unfunded liability (if any) upfront instead of having the liability amortized over a 20 year period. Additionally, this section requires an employer who desires to establish a benefit improvement must pay the estimated increase liability in a lump sum or through an increase in the employer contribution rate over one year.
- Requires all employees with optional membership in the hybrid plan to make an irrevocable election to join or not join TCRS upon initial date of hire or upon first being eligible to participate. Additionally, all employees having optional membership in the Hybrid Plan who were hired prior to July 1, 2016 to make an irrevocable election to become or not to become a member by no later than October 31, 2016. The member who non-elected participation and later became a member of TCRS, may seek to obtain the prior service credit after one year of membership.
- Investments –
 - Eliminates the 10% cap on real estate and private equity investments. Added a 40% cap on real estate, private equity and strategic lending investments, such that the total sum invested in these asset classes shall not exceed 40% of the total funds of the retirement system.
 - Removes the restriction that the retirement system shall only invest in notes, bonds or other fixed income securities exceeding one year in maturity.
 - Allows the retirement system to invest in all derivative instruments (not just forward contracts as indicated in current law) for hedging, income-generation and replication purposes.

SB 1779/HB 1919 (PC 605) – IRS Compliance Bill

This bill clarifies, amends, and updates the TCRS statutes found in Title 8, Chapters 34-37, for compliance with current Internal Revenue Service laws, rules, and guidance. There were no changes in benefits.

SB 1587/HB 1870 (PC 931) – Qualified Domestic Relations Order (QDRO)

Retirement benefits may be impacted by a divorce. A QDRO is used in the division of marital property in a divorce. This bill requires all public pension plans, including TCRS and the State of Tennessee deferred compensation plans, to recognize claims under a QDRO. In 2013, legislation was enacted requiring the recognition of QDROs in TCRS at a time designated by the Treasurer. TCRS will recognize QDROs that are dated on or after July 1, 2016.

**TCRS BOARD OF TRUSTEES
APPOINTMENTS**



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
15th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

June 3, 2016

David H. Lillard, Jr.
Chairman,
Tennessee Consolidated Retirement System Board of Trustees
State Capitol
Nashville, TN 37243

Treasurer Lillard,

We have received the results for the election of two state employee representatives to the Board of Trustees of the Tennessee Consolidated Retirement System for the term July 1, 2016 through June 30, 2019. The election was handled electronically through ElectionsOnline.com. I am pleased to say that by converting to an online election, we saw a significant increase in voter participation in comparison to our past election held in 2013. Below are the final results of that election.

Votes	Name	Department
1,125	Vicki Burton	TN Dept. of Children Services
1,043	Ed Taylor	University of Tennessee-Knoxville
870	Shannon R. Jones	TN Commission on Aging and Disability
852	Brigitte Ownsby	Department of Health
830	Shilina B. Brown	TN Dept. of Commerce and Insurance
799	Chris Armstrong	UT Space Institute
787	Karen Douglas-Lewis	TN Dept. of Children Services
772	Richard M. Murrell	Bureau of Worker's Compensation
771	Vijaya "Jay" Taylor	University of Tennessee
747	Patti C. Bowlan	TN Dept. of Transportation
579	Vincent Meaker	TN Dept. of Safety
<u>343</u>	Joseph David Baker	TRICOR
9,518		

In summary, 4,759 state and higher education employees cast ballots with a total of 9,518 votes for candidates.

Sincerely,

Joy Harris, Assistant Treasurer for Financial Empowerment

cc: Jill Bachus, Director, Tennessee Consolidated Retirement System

STATISTICAL REPORTS

ANALYSIS OF MEMBERS ACTIVELY CONTRIBUTING

	3/31/2013	3/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016
Group I Members:							
(State & Higher Ed.)	55,797	55,958	55,900	55,179	53,447	51,412	50,691
Highway Patrol						764	756
Wildlife Officers						191	191
Teachers	78,463	78,244	70,926	69,975	69,977	69,589	68,474
General Employees of Polisubs	79,934	77,706	85,061	85,531	87,163	80,580	81,199
Firemen & Policemen						7,358	7,446
General Assembly	128	128	115	113	114	111	111
County Officials	2	2	2	2	2	2	2
Board Members						439	435
County Judges	1	1	1	20	19	18	18
Attorneys General	650	682	617	617	621	619	608
Total Group I	214,975	212,721	212,622	211,437	211,343	211,083	209,931
Group II & Prior Class:							
Wildlife Officers	2	2	1	1	1	1	
Highway Patrol	3	1	1	1	1	1	1
Firemen & Policemen-Political Subdivisions	15	8	10	10	9	8	10
Total Group II & Prior Class	20	11	12	12	11	10	11
Group III and Prior Class:							
State Judges	1	1	1	1	1	1	1
County Judges			1	1	1	1	1
Attorneys General	5	3	1	1	2	1	1
County Officials	4	4	2	2	2	2	2
Total Group III & Prior Class	10	8	5	5	6	5	5
Group IV							
State Judges	182	184	130	128	123	122	121
State & Teacher Hybrid Plan							
State			4,039	5,689	7,905	9,242	10,754
General Assembly			15	15	16	16	17
Teacher			6,355	6,189	11,205	11,967	12,229
Attorneys General, Judges			28	31	35	37	37
Political Subdivisions			80	85	189	349	453
Local Government Plans							
Alternate DB			14	14	24	30	35
Hybrid Plan W/O Cost Controls			81	92	125	179	207
Total Membership Contributing to TCRS	215,187	212,924	223,381	223,697	230,982	233,040	233,800
Teachers Contributing to ORP	11,610	11,694	10,662	10,632	10,290	10,043	9,763
Grand Totals	226,797	224,618	234,043	234,329	241,272	243,083	243,563

**RETIRED PAYROLL
STATISTICS
March 31, 2016**

	<u>AMOUNT</u>	<u># OF RETIREES</u>
STATE EMPLOYEES	\$ 58,958,425.33	44,415
STATE PAID JUDGES	1,035,050.36	211
COUNTY PAID JUDGES	305,378.98	85
ATTORNEY GENERALS	948,208.98	248
COUNTY OFFICIALS	367,563.57	176
PUBLIC SERVICE COMMISSIONERS	9,340.38	5
POLITICAL SUBDIVISIONS	29,923,107.54	36,732
TEACHERS	98,419,339.12	47,641
LOCAL TEACHERS	3,332,961.39	1,803
GOVERNORS AND WIDOWS	31,250.00	5
AGED TEACHERS	510.87	4
OTHERS	<u>111,436.17</u>	<u>45</u>
TOTAL	\$193,442,572.69	131,370

RETIRED PAYROLL
January 1, 2016
THROUGH
March 31, 2016

	<u>AMOUNT</u>	<u># OF RETIREES</u>
AGED STATE EMPLOYEES	\$138.80	1
STATE EMPLOYEES	176,410,399.92	44,414
STATE PAID JUDGES	3,107,945.48	211
COUNTY PAID JUDGES	922,142.26	85
ATTORNEY GENERALS	2,869,293.80	248
COUNTY OFFICIALS	1,103,616.91	176
PUBLIC SERVICE COMMISSIONERS	28,021.14	5
POLITICAL SUBDIVISIONS	89,615,271.98	36,732
TEACHERS	294,582,590.38	47,641
LOCAL TEACHERS	10,065,999.51	1,803
GOVERNORS AND WIDOWS	93,750.00	5
AGED TEACHERS	2,295.67	4
OTHERS	<u>328,902.07</u>	<u>45</u>
TOTAL	\$579,130,367.92	131,370

NOTE: NINETY-NINE PERCENT (99%) OF THE RETIREES ARE ON DIRECT DEPOSIT AND DEBIT CARD

NUMBER OF MEMBERS REFUNDED

<u>Month</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
July	894	499	496	475	516	613	512
August	612	406	466	471	782	820	403
September	494	431	447	394	457	586	522
October	369	379	383	375	378	483	364
November	320	293	364	319	314	244	359
December	256	276	257	241	276	338	326
January	257	307	348	338	402	322	386
February	242	265	312	335	310	238	351
March	278	299	262	253	284	331	355
April	687	277	346	311	424	338	
May	385	662	329	274	866	247	
June	360	406	339	336	674	383	
TOTAL	<u>5,154</u>	<u>4,500</u>	<u>4,349</u>	<u>4,122</u>	<u>5,683</u>	<u>4,943</u>	<u>3,578</u>

**REFUND EXPENDITURES
2015-2016 FISCAL YEAR**

MONTH	MEMBER'S CONTRIBUTIONS	414(H) CONTRIBUTIONS	MEMBER'S INTEREST	EMPLOYER CONTRIBUTIONS	DEATH PAYMENTS	TOTAL
July	76,202.28	3,323,072.72	1,028,154.70	102.24	17,878.83	\$4,445,410.77
August	171,154.26	2,993,789.99	1,384,824.15	228,195.20	1,061,837.07	\$5,839,800.67
September	1,052,057.57	4,073,066.20	1,434,264.10	92,448.08	585,881.70	\$7,237,717.65
October	84,575.00	2,727,940.03	1,005,076.98	42,280.48	252,003.17	\$4,111,875.66
November	82,006.43	2,691,698.41	1,189,718.69	99,558.39	587,484.95	\$4,650,466.87
December	35,744.62	2,165,795.74	768,133.77	12,523.27	124,452.48	\$3,106,649.88
January	121,635.04	1,874,036.29	1,086,830.03	201,469.87	1,026,908.05	\$4,310,879.28
February	54,468.45	2,662,063.02	1,288,254.67	118,431.54	786,866.69	\$4,910,084.37
March	35,108.32	2,073,278.84	913,873.26	0.00	435,836.09	\$3,458,096.51
April						
May						
June						
TOTAL	1,712,951.97	24,584,741.24	10,099,130.35	795,009.07	4,879,149.03	\$42,070,981.66

PRIOR SERVICE ACTIVITY
January 1, 2016 through March 31, 2016

State:	Type of Service	No of Members	Years of Service	Amount
	Backpayment	3	15	\$ 104,108
	Military	-	-	-
	Redeposit	1	4	\$ 32,003
	Totals	4	19	\$ 136,111

Teachers:	Type of Service	No of Members	Years of Service	Amount
	Backpayment	7	10	\$ 114,549
	Military	-	-	-
	Redeposit	10	40	\$ 228,547
	Totals	17	50	\$ 343,096

Higher Education:	Type of Service	No of Members	Years of Service	Amount
	Backpayment	6	20	\$ 136,062
	Military	-	-	-
	Redeposit	-	-	-
	Totals	6	20	\$ 136,062

Political Subdivisions:	Type of Service	No of Members	Years of Service	Amount
	Backpayment	40	56	\$ 70,066
	Military	-	-	\$ -
	Redeposit	4	21	\$ 36,335
	Totals	44	77	\$ 106,401

Grand Totals:	Type of Service	No of Members	Years of Service	Amount
	Backpayment	56	101	\$ 424,785
	Military	-	-	-
	Redeposit	15	65	296,885
	Totals	71	166	\$ 721,670

DISABILITY RETIREMENT REPORT

Disability Statistical Report

Third Quarter 15-16

Disability Applications Received	January	18
	February	18
	March	<u>35</u>
	TOTAL	71
Initial Claims Approved	January	15
	February	17
	March	<u>25</u>
	TOTAL	57
Initial Claims Disapproved	January	12
	February	03
	March	<u>07</u>
	TOTAL	22
Initial Claims Approved after Reconsideration		07
Initial Claims Disapproved after Reconsideration		04
Re-Evaluation Claims Approved		44
Re-Evaluation claims Disapproved		00

**APPROVED FOR DISABILITY
THIRD QUARTER
2015-2016**

TYPE	RE-E	RE-C	AGE	EMPLOYER	POSITION	SVC	AFC	OPT	MO. BEN.	DISABILITY SUMMARY
SS-ORD.	NO	NO	55	STATE	DEV TECH	15	\$27,740	A	\$655	SEIZURE D/O, SHOULDER & NECK PAIN, NUMBNESS OF ARMS & LEGS
SS-ORD.	NO	NO	51	POL SUB	OFFICER II	15	\$42,004	A	\$945	MULTIPLE BACK INJURIES, DOUBLE KNEE REPLACEMENT, ARTHRITIS, HTN
ORD.	NO	NO	57	STATE	ANALYST II	9	\$43,914	A	\$605	SEVERE DEPRESSION, GENERALIZED ANXIETY, PANIC ATTACKS
ORD.	NO	NO	59	POL SUB	ASSISTANT MANAGER	12	\$21,879	A	\$347	SQUAMOUS CELL IIIB LUNG CANCER, CARDIOMYOPATHY W/PACEMAKER & ICD IMPLANT
ORD.	NO	NO	56	STATE	FACTORY WORKER	13	\$27,893	A	\$582	DJD, DDD, IBS, SLEEP APNEA, PANIC ATTACKS, DEPRESSION
ORD.	NO	YES	52	POL SUB	FIREFIGHTER	11	\$34,911	A	\$759	CTS RESULTING IN LOSS OF GRIP OF BOTH HANDS & CHRONIC PAIN, DM W/NEUROPATHY OF BOTH FEET, MORBID OBESITY
SS-ORD.	NO	NO	54	TEACHER	TEACHER	19	\$53,635	C	\$1,193	CVA W/R-SIDED HEMIPLEGIA
ORD.	NO	NO	54	POL SUB	DIRECTOR	17	\$111,393	B	\$2,542	METASTATIC PROSTATE CANCER

**APPROVED FOR DISABILITY
THIRD QUARTER
2015-2016**

TYPE	RE-E	RE-C	AGE	EMPLOYER	POSITION	SVC	AFC	OPT	MO. BEN.	DISABILITY SUMMARY
SS-ORD.	YES	NO	42	TEACHER	TEACHER	15	\$41,657	B	\$925	STAGE IV OVARIAN CANCER
ORD.	NO	NO	54	STATE	CORRECTIONAL COUNSELOR	27	\$42,497	A	\$1,330	CVA W/EXPRESSIVE APHASIA, DM, CAD
ORD.	NO	NO	59	STATE	ASSISTANT VICE CHANCELLOR	10	\$20,551	A	\$273	SEVERE COGNITIVE IMPAIRMENT & MEMORY LOSS
ORD.	NO	YES	56	TEACHER	TEACHER	25	\$59,572	A	\$1,783	BILATERAL MENISCUS TEARS S/P UNSUCCESSFUL L-KNEE SUERGY, CERVICAL RADICULOPATHY, CERVICALGIA, CLAVICAL INJURY, CHRONIC PAIN
SS-ORD.	NO	NO	59	POL SUB	MANAGER	9	\$23,102	E	\$260	ESRD, HEMODIALYSIS 4X WEEKLY
ORD.	NO	YES	54	POL SUB	DATA ANALYST	10	\$57,342	A	\$1,056	CHF, BREAST CANCER
SS-ORD.	NO	NO	58	STATE	LPN	5	\$40,683	A	\$481	GRADE IV MEDIAL & P-F OA & MODERATE LATERAL OA RESULTING IN BILATERAL KNEE PAIN W/SWELLING & STIFFNESS
SS-INACT.	NO	NO	52	STATE	CHILD CAREGIVER	8	\$14,712	N/A	LUMP SUM	ESRD, POLYCYSTIC KIDNEY DISEASE, HEMODIALYSIS, HTN

**APPROVED FOR DISABILITY
THIRD QUARTER
2015-2016**

TYPE	RE-E	RE-C	AGE	EMPLOYER	POSITION	SVC	AFC	OPT	MO. BEN.	DISABILITY SUMMARY
ORD.	NO	NO	52	POL SUB	RECORDER	18	\$51,936	D	\$1,106	DDD, HNP, S/P MULTIPLE SURGERIES, CHRONIC PAIN, PVD W/CLAUDICATION, CAD, COPD
SS-ORD.	NO	NO	55	POL SUB	TEACHER'S AIDE	20	\$16,695	A	\$399	SEVERE DEPRESSION. CONDITION GUARDED
SS-ORD.	NO	NO	53	POL SUB	CUSTODIAN	15	\$21,036	A	\$497	TESTICULAR CANCER, BILATERAL SHOULDER PAIN & STIFFNESS
ORD.	YES	NO	51	STATE	CONSERVATION WORKER	25	\$24,415	A	\$743	SEVERE DEPRESSION
ORD.	YES	NO	47	TEACHER	PRINCIPAL	17	\$73,093	D	\$1,557	S/P HEART TRANSPLANT WITH COMPLICATIONS, CAD, HTN, RENAL INSUFFICIENCY, HYPERLIPIDEMIA
ORD.	NO	NO	53	STATE	HABILITATION TECH	18	\$27,155	A	\$642	LUMBAR DD, CHRONIC PAIN, MAJOR DEPRESSIVE D/O W/IMPAIRED CONCENTRATION
ORD.	NO	NO	52	POL SUB	DEPUTY CLERK	23	\$36,191	A	\$1,008	CVA W/COGNITIVE & MEMORY ISSUES
SS-ORD.	YES	YES	44	TEACHER	TEACHER	18	\$47,076	D	\$948	STAGE IV BREAST CANCER

APPROVED FOR DISABILITY THIRD QUARTER 2015-2016

TYPE	RE-E	RE-C	AGE	EMPLOYER	POSITION	SVC	AFC	OPT	MO. BEN.	DISABILITY SUMMARY
SS-ORD.	NO	NO	54	STATE	DEV TECH	13	\$25,995	A	\$586	ULCERATIVE COLITIS W/COLON RESECTION RESULTING IN MULTIPLE INFECTIONS & ABSCESES
SS-ORD.	YES	NO	46	POL SUB	RECORDS CLERK	21	\$29,365	A	\$728	DWARFISM, SEVERE ARTHRITIS, CHRONIC PAIN
ORD.	YES	NO	39	STATE	COMPUTER TECH	12	\$37,990	A	\$898	ESRD, DM, RETINOPATHY, PERIPHERAL NEUROPATHY
SS-ORD.	YES	YES	33	STATE	ELIGIBILITY COUNSELOR II	11	\$30,969	A	\$732	BI-POLAR D/O W/PARANOIA, SUICIDAL THOUGHTS, INSOMNIA
SS-ORD.	NO	NO	53	POL SUB	MECHANIC	15	\$45,839	A	\$1,083	CHRONIC NERVE PAIN, SEVERE BACK, LEG & FOOT PAIN, LUMBAR RADICULOPATHY
SS-ORD.	NO	NO	57	STATE	OFFICER	20	\$29,543	B	\$624	PTSD, DEPRESSION/ANXIETY, ANGER, IRRITABILITY, POOR CONCENTRATION & FORGETFULNESS
ORD.	NO	NO	57	POL SUB	INSPECTOR	17	\$43,993	A	\$431	TOTAL HIP ARTHROPLASTY, L-QUADRICEPTS TENDON REPTURE, L-MENISCAL TEAR, LUMBAR DJD, R-LOWER EXTREMITY RADICULOPATHY
SS-ORD.	NO	NO	52	STATE	FOOD SVC WORKER	11	\$15,949	A	\$347	LEGALLY BLIND

**APPROVED FOR DISABILITY
THIRD QUARTER
2015-2016**

TYPE	RE-E	RE-C	AGE	EMPLOYER	POSITION	SVC	AFC	OPT	MO. BEN.	DISABILITY SUMMARY
SS-ORD.	YES	NO	45	POL SUB	ADMINISTRATIVE ASSISTANT	10	\$21,264	A	\$502	MENIER'S DISEASE, SENSORINEURAL HEARING LOSS, ATAXIA
SS-ORD.	NO	NO	50	TEACHER	TEACHER'S AIDE	27	\$21,129	A	\$674	STAGE IV COLON CANCER W/METASTASIS TO THE LUNG & LIVER
SS-INACT.	NO	NO	51	STATE	DEV TECH	7	\$20,384	N/A	LUMP SUM	DM, HTN, ANXIETY
ORD.	NO	NO	53	STATE	ANALYST II	11	\$33,179	A	\$705	CVA, COGNITIVE DYSFUNCTION, MEMORY LOSS
ORD.	NO	NO	58	POL SUB	MAINTENANCE WORKER	7	\$39,442	B	\$419	CAD, SEVERE REDUCTION OF LVEF, EXTERNAL CARDIAC DEFIBRILLATOR, PROGNOSIS POOR
ORD.	YES	YES	53	STATE	CORPORAL	11	\$33,179	A	\$705	CHF, DM, CHRONIC KIDNEY FAILURE
SS-ORD.	NO	NO	52	POL SUB	HVAC TECH	8	\$36,380	E	\$635	CHRONIC KIDNEY DISEASE, MYASTHENIA GRAVIS, HYPOTHYROIDISM
SS-ORD.	NO	NO	56	STATE	DEV TECH	24	\$29,273	B	\$722	PVD, PAD, S/P L-ARM EM-POP BYPASS GRAFT, S/P LEG OSTEOMYELITIS W/LEG MUSCLE FLAP, CHRONIC PAIN, EDEMA, STIFFNESS

**APPROVED FOR DISABILITY
THIRD QUARTER
2015-2016**

TYPE	RE-E	RE-C	AGE	EMPLOYER	POSITION	SVC	AFC	OPT	MO. BEN.	DISABILITY SUMMARY
ORD.	NO	NO	52	TEACHER	COUNSELOR	22	\$46,999	A	\$1,263	MORBID OBESITY, DVT, PE, TRIGEMINAL NEURALGIA, FIBROMYALGIA, ASTHMA, RAYNAUD'S SYNDROME, GASTROPARESIS
ORD.	NO	NO	57	STATE	TEACHER	12	\$48,244	A	\$817	OA, RA, FIBROMYALGIA, SLEEP APNEA, CHRONIC FATIGUE, IBS, ANEMIA, DM, COMPLETE HEART BLOCK, HTN
ORD.	NO	NO	56	POL SUB	FACULTY SPECIALIST	27	\$60,802	A	\$1,975	CERVICAL STENOSIS, DOUBLE KNEE REPLACEMENTS, NEUROPATHY
SS-ORD.	NO	NO	51	TEACHER	TEACHER	13	\$49,880	B	\$1,067	MS W/COGNITIVE, MEMORY & MOBILITY ISSUES
ORD.	YES	YES	43	STATE	ANALYST	23	\$62,108	D	\$1,523	LUMBAR DD, SCLIOSIS, S/P REVISION SURGERY W/POSTERIOR T4-L4 FUSION, CHRONIC PAIN
ORD.	YES	NO	49	TEACHER	TEACHER	23	\$53,993	A	\$1,488	UNCONTROLLED BI-POLAR D/O & RA
SS-ORD.	YES	NO	47	STATE	TRANSPORTATION TECH	12	\$23,768	A	\$562	COLON CANCER W/COLOSTOMY BAG
ORD.	NO	NO	51	POL SUB	BUS DRIVER	17	\$14,115	A	\$333	DDD, CHRONIC LOW BACK PAIN & RADICULOPATHY

**APPROVED FOR DISABILITY
THIRD QUARTER
2015-2016**

TYPE	RE-E	RE-C	AGE	EMPLOYER	POSITION	SVC	AFC	OPT	MO. BEN.	DISABILITY SUMMARY
ORD.	NO	YES	56	TEACHER	TEACHER	12	\$41,680	A	\$767	SEVERE DEPRESSION, ANXIETY, AGORAPHOBIA
ORD.	NO	NO	54	POL SUB	FIREFIGHTER	20	\$44,095	E	\$961	BI-POLAR D/O, PTSD, PANIC ATTACKS, ANGER ISSUES, IBS
SS-ORD.	NO	NO	55	POL SUB	CUSTODIAN	15	\$23,965	A	\$566	COPD, DM II W/NEUROPATHY, CAD, HTN, DDD, MORBID OBESITY
ORD.	YES	NO	50	POL SUB	RESOURCE ASSISTANT	13	\$18,677	A	\$441	HEMIANOPSIA, CEREBRAL ISCHEMIA, DM, PERIPHERAL NEUROPATHY, MIGRAINE HA's, GAIT & STANCE DISTURBANCE
ORD.	YES	NO	47	STATE	MECHANIC	24	\$36,139	A	\$1,057	S/P SPINAL FUSION W/NERVE COMPLICATIONS, CONDITION GAURDED, OSA
ORD.	YES	YES	49	TEACHER	TEACHER	14	\$52,820	A	\$1,248	ADDISON'S DISEASE, HYPOTHYROIDISM, MIGRAINE HA's, CHRONIC FATIGUE, FIBROMYALGIA, DEPRESSION
ORD.	NO	NO	54	POL SUB	FORMAN	12	\$46,613	D	\$857	PTSD, DEPRESSION, ANXIETY, DDD, CHRONIC PAIN
ORD.	YES	YES	46	TEACHER	TEACHER	20	\$39,323	A	\$933	L5-S1 HNP W/R-SIDED SCIATICA, DEPRESSION

**APPROVED FOR DISABILITY
THIRD QUARTER
2015-2016**

TYPE	RE-E	RE-C	AGE	EMPLOYER	POSITION	SVC	AFC	OPT	MO. BEN.	DISABILITY SUMMARY
SS-ORD.	YES	NO	27	POL SUB	DEPUTY SHERIFF	8	\$37,528	A	\$887	INTRACTABLE PARTIAL EPILEPSY, UNCONTROLLED SEIZURES

DISAPPROVED FOR DISABILITY THIRD QUARTER 2015-2016

TYPE	RE-C	AGE	EMPLOYER	POSITION	SVC	DISABILITY SUMMARY	REASON DENIED
ORD.	NO	39	POL SUB	COMMUNICATIONS TECH	14	ANXIETY D/O W/AGORAPHOBIA & PANIC ATTACKS, JOB STRESS	SYMPTOMS IMPROVING WITH RX. CONDITION HASN'T LASTED 12 MONTHS. CAP OF WORKING.
ORD.	NO	52	STATE	COOK I	13	LUMBAR DD, DECREASED ROM, FIBROMYALGIA, PLANTAR FASCIITIS, IBS, HTN	CONDITIONS STABLE. CAP SED-MED WRA
ORD.	NO	46	POL SUB	FIREFIGHTER	17	PTSD, ANXIETY, DEPRESSION	SUGGEST JOB THAT DOES NOT EXPOSE PTSD TRIGGERS
ORD.	NO	50	TEACHER	TEACHER	19	MAJOR DEPRESSION/ANXIETY, CAD, DM, HTN	CAP SED-LIGHT WRA IN LOW STRESS JOB
ORD.	NO	51	TEACHER	TEACHER	17	DDD, PTSD, ANXIETY, FATIGUE	CAP LGT WRA
ACC.	YES	50	STATE	OFFICER	19	PTSD S/P BROKEN NOSE FROM OJA, PRE-EXISTING BILATERAL OA OF KNEES, PLANTER FASCIITIS W/ANTALGIC GAIT, TIBIAL TENDINITIS	CAP SED-MED WRA IN NON-THREATENING WORK ENVIRONMENT
ORD.	NO	48	POL SUB	TRUCK DRIVER	21	GASTROPARESIS W/WEIGHT LOSS & FATIGUE	CONDITION IMPROVING & NOT EXPECTED TO LAST 12 MONTHS. CAP SED WRA
ORD.	NO	51	POL SUB	INTERPRETER	5	DDD, BACK & NECK PAIN, ANXIETY	CAP SED WRA
ORD.	NO	56	POL SUB	OFFICER	9	OJA RESULTING IN CRUSHED R-FOOT & BROKEN LEG	CAP SED-LGT WRA
ORD.	YES	54	STATE	FAMILY SVC WORKER	13	SPINAL DDD, L-FOOT/ANKLE MUSCLE ATROPHY, CHRONIC PAIN	NORMAL GAIT. CAP SED-LGT WRA
ORD.	NO	54	STATE	HABILITATION THERAPIST	28	MS W/PERIPHERAL NEUROPATHY	CONDITION STABLE. CAP SED WRA.

DISAPPROVED FOR DISABILITY

THIRD QUARTER

2015-2016

TYPE	RE-C	AGE	EMPLOYER	POSITION	SVC	DISABILITY SUMMARY	REASON DENIED
ACC.	YES	50	STATE	HOSPITAL TECH	17	INJURY TO R-HIP, S/P R-HIP REPLACEMENT, CHRONIC PAIN W/RADICULOPATHY	MILD DDD, NO CAUSE FOR HIP PAIN, CAP SED-LGT WRA
ORD.	NO	49	POL SUB	LIEUTENANT	23	RA, COPD, DYSPHAGIA	CAP SED WRA
ORD.	NO	50	TEACHER	TEACHER	16	NECK/BACK PAIN, MIGRAINE HA's, CAD W/CHEST PAIN, DEPRESSION	CHEST PAIN PROBABLY DUE TO STRESS. CAP SED WRA IN LOW STRESS ENVIRONMENT
ORD.	NO	48	TEACHER	TEACHER	16	AORTIC ANEURISM, HTN, ANXIETY D/O	CAP SED WRA
ORD.	NO	58	POL SUB	BUS DRIVER	15	ANXIETY/DEPRESSION, DM II, FATTY LIVER, NON-ALCOHOLIC CIRRHOSIS, MORBID OBESITY	RESPONDING TO TREATMENT. NORMAL KIDNEY FUNCTION & BP, CONTROLLED DM. CAP SED WRA.
ORD.	YES	49	STATE	FORESTRY AIDE II	26	DDD, LUMBAGO, L5 HNP W/RADICULOPATHY & LOW BACK PAIN	CAP LGT-MED WRA
ORD.	NO	56	STATE	OFFICER	14	LUMBAR DD, CHRONIC BACK PAIN, HEART BLOCKAGE	CAP SED WRA
ORD.	NO	41	POL SUB	OFFICE ASSISTANT	7	DM, MEMORY ISSUES, ANXIETY/DEPRESSION, RECENT HOSPITALIZATION FOR DIABETIC KETOACIDOSIS	NON-COMPLIANCE WITH MEDICAL TREATMENT. WITH COMPLIANCE MBR SHOULD BE CAP SED-MED WRA
ORD.	NO	48	POL SUB	EQUIPMENT OPERATOR	5	CERVICAL DD, C5 HNP W/C4-C5 FUSION W/CONTINUED PAIN	RESTRICTIONS CONSISTENT W/SED WRA. MBR DOING ODD JOBS & WORKING ON HIS PROPERTY
ORD.	YES	48	TEACHER	TEACHER	17	SEVERE RA	RA CONTROLLED WITH RX. CAP SED WRA
ORD.	NO	49	TEACHER	TEACHER	14	ADDISON'S DISEASE, HYPOTHYROIDISM, MIGRAINE HA's, FIBROMYALGIA, CHRONIC FATIGUE, DEPRESSION	CONDITIONS STABLE. CAP SED WRA

**DISAPPROVED FOR DISABILITY
THIRD QUARTER
2015-2016**

TYPE	RE-C	AGE	EMPLOYER	POSITION	SVC	DISABILITY SUMMARY	REASON DENIED
ORD.	NO	38	POL SUB	FIREFIGHTER	8	FAILED BACK SYNDROME, ANXIETY/DEPRESSION	CAP SED-LGT WRA

FINANCIAL STATEMENTS

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
MARCH 31, 2016**

ASSETS

Cash and Cash Equivalents **54,288,474.98**

Receivables

Member receivable **1,032,286.60**
Employer receivable **788,533.31**

Total receivables **1,820,819.91**

Investments, at fair value

Tennessee Retiree Group Trust **42,446,143,500.28**

Total investments **42,446,143,500.28**

Capital Assets (net) **31,747,895.57**

TOTAL ASSETS **42,534,000,690.74**

LIABILITIES AND NET POSITION

LIABILITIES

Retiree Insurance premium payable **8,773,687.74**

Accounts payable **16,936,799.75**

TOTAL LIABILITIES **25,710,487.49**

NET POSITION RESTRICTED FOR PENSIONS **\$42,508,290,203.25**

See Accompanying Notes to the Financial Statements

UNAUDITED

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JULY 1, 2015 - MARCH 31, 2016**

ADDITIONS

Contributions	
Member Contributions	192,501,767.78
Employer Contributions	673,590,829.61
Total Contributions	<u>866,092,597.39</u>
Investment Income	
Investment Income (Loss)	213,171,763.23
Total investment income (loss)	<u>213,171,763.23</u>
Less: Investment expense	<u>(43,905,015.42)</u>
Net investment income	<u>169,266,747.81</u>
TOTAL ADDITIONS	<u><u>\$1,035,359,345.20</u></u>

DEDUCTIONS

Annuity benefits	1,725,984,709.26
Death benefits	4,212,631.80
Refunds	32,311,422.90
Administrative expenses	<u>8,500,964.00</u>
TOTAL DEDUCTIONS	<u>1,771,009,727.96</u>
NET INCREASE (DECREASE)	<u>(735,650,382.76)</u>

NET POSITION RESTRICTED FOR PENSIONS

BEGINNING BALANCE	<u>43,243,940,586.01</u>
ENDING BALANCE	<u><u>\$42,508,290,203.25</u></u>

See Accompanying Notes to the Financial Statements

UNAUDITED